

The Senate

Standing Committee on
Finance and Public Administration

Additional estimates 2006-07

March 2007

Commonwealth of Australia
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Membership of the Committee

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Senator Michael Forshaw (Deputy Chair)	ALP, NSW
Senator Carol Brown	ALP, TAS
Senator Concetta Fierravanti-Wells	LP, NSW
Senator Mitch Fifield	LP, VIC
Senator Claire Moore	ALP, QLD
Senator Andrew Murray	AD, WA
Senator John Watson	LP, TAS

Participating members

Senators Barnett, Bartlett, Bernardi, Boswell, Brandis, Bob Brown, Carr, Chapman, Conroy, Crossin, Eggleston, Evans, Faulkner, Ferguson, Ferris, Fielding, Heffernan, Hogg, Joyce, Ludwig, Lundy, Ian Macdonald, McGauran, McLucas, Marshall, Milne, Nettle, O'Brien, Parry, Payne, Ray, Ronaldson, Sherry, Siewert, Stephens, Trood and Webber.

NOTE: all senators may attend a meeting of a legislation committee in relation to estimates, question witnesses and participate in the deliberation of the committee at such a meeting (see Standing Order 26(8)).

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Additional Estimates 2006-07

Introduction

1.1 On 8 February 2007, the Senate referred to the Committee for examination and report the following documents:

- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2007;
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2007;
- Statement of savings expected in annual appropriations made by Act numbers 66 and 67 of 2006;
- Final Budget Outcome 2005-06; and
- Advance to the Finance Minister as a Final Charge for the year ended on 30 June 2006.¹

1.2 The Senate also referred the following documents to the Committee:

- Mid-year economic and fiscal outlook 2005-06;
- Consolidated financial statements for the year ended 30 June 2005; and
- The 2005 Tax Expenditures Statement.

Portfolio coverage

1.3 The Committee has responsibility for examining the expenditure and outcomes of the following:

- Parliamentary departments;²
- Prime Minister and Cabinet portfolio;
- Finance and Administration portfolio; and
- Human Services portfolio.

Appendix 1 lists the departments and agencies under the portfolios mentioned above.

1 *Journal of the Senate*, No. 129, 8 February 2007, p. 3414.

2 As a matter of comity between the Houses, it is traditional that neither House inquires into the operations of the other House. For this reason, neither the annual report of, nor the proposed expenditure for, the Department of the House of Representatives is referred to a Senate committee for review.

Hearings

1.4 The Committee held public hearings on Monday 12, Tuesday 13 and Friday 16 February 2007. Copies of the Committee's transcript of evidence are tabled in three volumes of *Hansard* for the information of the Senate. Copies of *Hansard* are available on the internet at the following address: <http://aph.gov.au/hansard>.

1.5 Further written explanations furnished by departments and agencies will be tabled, as received, in the Senate. That information is also available on the committee's internet page, found at the following address: http://www.aph.gov.au/Senate/committee/fapa_ctte/estimates/index.htm

1.6 In accordance with Standing Order 26, the Committee is required to set a date for the lodgement of written answers and additional information. The Committee requested that written answers and additional information should be submitted by Friday 30 March 2007.

1.7 As a matter of Parliamentary Privilege, all information is 'tabled' on receipt.

1.8 Over the course of the three days' hearings—totalling over 27 hours—the committee took evidence from the President of the Senate, Senator the Honourable Paul Calvert; the Minister for Finance and Administration, Senator the Honourable Nick Minchin, representing the Prime Minister; Parliamentary Secretary, Senator the Honourable Richard Colbeck, representing the Minister for Finance and Administration; and the Minister for Human Services, Senator the Honourable Ian Campbell, together with officers of the departments and agencies concerned.

1.9 The following agencies were released from the hearings without examination: Office of National Assessments; Australian National Audit Office; Australian Public Service Commission; Office of the Commonwealth Ombudsman; Office of the Inspector-General of Intelligence and Security; Commonwealth Grants Commission; Australian Reward Investment Alliance (ARIA); Australian Hearing; and Health Services Australia.

General issues

1.10 Water usage was a major theme that ran through the examination of most departments and agencies. In view of the current drought in Australia and mandatory water restrictions in the ACT, the Committee and other senators in attendance took interest in the measures being taken by the various departments and agencies to reduce their water usage.

1.11 The Committee also availed itself of the Friday 'spill over day' to allow time to continue examining the human services portfolio. This enabled senators to concentrate on the proposed access card and gather information to assist the Committee's separate inquiry into the legislation for this measure.

1.12 The sections of the report that follow list the issues considered by the Committee and discuss some of these in detail. The order is not based on hierarchy but rather the order in which those issues arose during the hearings.

Parliamentary Departments

2.1 The Committee took evidence from the parliamentary departments on Monday, 12 February 2007.

Department of the Senate

2.2 During a relatively brief examination of the department, members of the Committee and other senators in attendance raised the following issues:

- Citizenship Visits Program;
- Decision to pay deputy chairs of parliamentary committees;
- Workload of Senate committee;
- Advertising for Senate committees; and
- International delegations and senators and members attendance at the UN.

2.3 An item of possible interest to all senators was the Committee's discussion of trends in the referral of bills for inquiry and reporting times for them. The Committee was concerned that recent tight reporting deadlines may have an adverse effect on the health of committee office staff. The Clerk responded:

The problem lies with the very tight turnaround time on bills. Everybody accepts that if legislation is urgent then there has to be an urgent committee inquiry, and people will work on that accordingly. But it is noticeable that very tight turnaround times on quite a number of bills are followed by a lengthy period before they go through the chamber – and there could have been more time spent on the committee inquiry and staff would have been under less strain to meet the deadlines.¹

2.4 The Committee placed a number of questions on notice relating to these issues. The department's response is included in Appendix 3 for the benefit of senators interested in this matter.

Department of Parliamentary Services

2.5 During the examination of the department, members of the Committee and other senators in attendance raised the following issues:

- Water usage in Parliament House;
- Bollards at Parliament House entrances;
- Bound volumes of Hansards;
- Baby centre;

1 *Committee Hansard*, 12 February 2007, F&PA 11.

- Continuous Improvement reviews;
- IT equipment and phones in Parliament House; and
- Current contracts and tender processes in Parliament House.

Prime Minister and Cabinet Portfolio

3.1 The Committee took evidence from the department of the Prime Minister and Cabinet and the Office of the Official Secretary to the Governor-General on Monday, 12 February 2007. The Committee chose not to examine a number of agencies due to time constraints.

Office of the Official Secretary to the Governor General

3.2 The Committee examined various aspects of the Office of the Official Secretary to the Governor-General, with a particular focus on how negative press coverage of the Governor General is dealt with, and the administrative processes surrounding the consideration of nominations by the Council for the Order of Australia.

3.3 Other issues raised by the Committee and other senators included:

- The Governor-General's relationship with *Future Directions International*; and
- Water usage at, and an energy audit of, Government House and Admiralty House

Department of the Prime Minister and Cabinet

3.4 The Committee and other senators devoted a significant amount of time to scrutinising the decision making process behind the Prime Minister's recent announcement of a proposed \$10 billion water plan for the Murray Darling Basin. Senators also explored at length the government's decision to contribute \$250 000 towards the construction of the State Coach Britannia as a gift for the Queen. It emerged that the Murray Darling Basin plan had not gone through Cabinet, whereas the Cabinet had deliberated upon funding of the state coach.

3.5 Other issues examined by the Committee and other senators included:

- Costs associated with the department's new building and fit out;
- Late answers to questions on notice;
- The new tier of 'assistant minister';
- The re-allocation of the Office of Water Resources and the National Water Commission to the newly established Department of Environment and Water Resources;
- David Hicks' incarceration at Guantanamo Bay and his impending trial; and
- Travel costs for APEC and the national dress planned for leaders' week.

Finance and Administration Portfolio

4.1 The Committee took evidence from the Department of Finance and Administration and agencies on Tuesday, 13 February 2007. The Committee chose not to examine a number of agencies due to time constraints.

Department of Finance and Administration

4.2 As with the preceding day's examination of the PM&C department, the Committee and other senators again examined at length the decision making process leading to the Prime Minister's announcement of the proposed \$10 billion water plan for the Murray Darling Basin. Considerable time was also devoted to the scrutiny of the ministerial and parliamentary services business group of the department.

4.3 Other issues raised by the committee and other senators included:

- ANAO Audit Report No. 23: *Application of the outcomes and outputs framework*;
- The redevelopment of AusTender;
- Public Sector Superannuation advice on interdependent relationships;
- The Future Fund Management Agency;
- Googong Dam;
- Asset sales;
- Compliance with certification of senators' and members' monthly management reports; and
- The allocation of an additional fourth staffer to senators' and members' electorate offices.

Australian Electoral Commission

4.4 In accordance with past practice, the Committee pursued with the commission its interest in matters under investigation. These included the:

- Kelvin Thomson section 311A departmental annual reports matter;
- Wielangta Fighting Fund;
- Russell Galt; and
- Friends of Indi.

4.5 The commission also informed the Committee that it had finalised the investigation Senator Bob Brown had requested relating to certain advertisements and pamphlets disclosed at the 2004 federal election.

4.6 Other issues raised by the Committee and other senators included the commission's national communications strategy and best practice guidelines for disclosure returns.

Human Services Portfolio

5.1 The Committee took evidence from the Department of Human Services and agencies on Tuesday 13 February 2007 and Friday 16 February 2007.

Department of Human Services and agencies

5.2 The Committee examined the department together with Centrelink and Medicare Australia. The examination focused mainly upon the proposed access card.

Department of Human Services

5.3 The Committee spent considerable time examining general aspects of the access card initiative. Due to rules of the Senate, senators were prohibited from asking questions going to the detail of the provisions of the bill for this measure which had been referred to the Committee for separate inquiry,¹ but instead addressed general issues including:

- IT requirements for the card;
- Costs of the proposed card;
- The tender processes for the card;
- Integration of the card with Queensland's proposed enhanced drivers license;
- Registration for the card;
- The Access Card data-base; and
- Card readers.

Centrelink

5.4 The Committee's discussion of issues relating to the access card continued through its examination of Centrelink. In addition, the agency's IT arrangements and Job Capacity Assessments (JCAs) were explored at length.

5.5 Other issues raised by members of the Committee and other senators in attendance included:

- Integration of IT services between the department and its agencies;
- Customer call time statistics;
- Victorian Police and Centrelink's initiative to target 'cash economy' drivers;
- Optical surveillance;
- Assaults on Centrelink staff;

1 See advice of the Clerk of the Senate, 14 February 2006.

- Privacy breaches by Centrelink staff;
- Financial case management; and
- Accessibility of JCA sites.

Medicare Australia

5.6 During a relatively brief examination of Medicare Australia, the Committee discussed electronic Medicare claiming.

Acknowledgements

5.7 The Committee expresses its appreciation of the service provided by the secretariat, broadcasting and transcription services provided by the Department of Parliamentary Services and the service provided by the Black Rod's Office and Committee room attendants in preparing the rooms and providing refreshments for members and witnesses during the hearing.

5.8 The Committee also wishes to thank all ministers and departmental and agency officers for their assistance.

Next hearings—Budget estimates 2007-08

5.9 By resolution of the Senate, the Committee is scheduled to consider the budget estimates for the 2007-08 financial year from Monday 21 May through to Friday 1 June 2007.

5.10 While the Committee endeavours to follow the usual convention relating to the order of appearance of witnesses, it reminds ministers, departments and agencies that they need to be prepared to be available on the above days.

Senator Brett Mason

Chair

Appendix 1

Departments and agencies under the four portfolios for which the Committee has oversight

Parliamentary departments

- Department of the Senate; and
- Department of Parliamentary Services.

Prime Minister and Cabinet Portfolio

- Department of the Prime Minister and Cabinet;
- Australian National Audit Office;
- Australian Public Service Commission;
- Office of National Assessments;
- Office of the Commonwealth Ombudsman;
- Office of the Inspector-General of Intelligence and Security; and
- Office of the Official Secretary to the Governor-General.

Finance and Administration Portfolio

- Department of Finance and Administration;
- Australian Electoral Commission;
- Commonwealth Grants Commission;
- Commonwealth Superannuation Administration (Comsuper);
- Australian Reward Investment Alliance (ARIA); and
- Future Fund Management Agency.

Human Services Portfolio

- Department of Human Services;
- Centrelink;
- Medicare Australia;
- Australian Hearing; and
- Health Services Australia.

Appendix 2

Index to Hansard Transcripts¹

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¹ Page numbers correspond to the proof *Hansards*. Sometimes there are slight variations with the final version

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Appendix 3

Trends in bills referral to Senate committees

Trends in percentage of bills referred to Senate committees

Year	No. of Bills introduced into Parliament	Individual Bills referred	%age of individual Bills referred	Package of Bills referred	%age of package of Bills referred
2002	271*	62	23%	45	17%
2003	266^	68	26%	53	20%
2005	208^	64	31%	49	24%
2006	219#	102	47%	71	32%

*Does include Bills readopted from previous Parliament (5)

Does not include (a) Appropriation Bills; Bills restored to Notice Paper at 2nd reading but not referred; 2 draft Bills

^ Does not include (a) Appropriation Bills; Bills restored to Notice Paper at 2nd reading but not referred

Does include Bill withdrawn (1)

Does not include (a) Appropriation Bills; Bills restored to Notice Paper at 2nd reading but not referred

SENATE FINANCE AND PUBLIC ADMINISTRATION COMMITTEE
ADDITIONAL ESTIMATES 2006-07 – HEARING 12 FEBRUARY 2007

DEPARTMENT OF THE SENATE
ANSWERS TO QUESTIONS ON NOTICE

P3: HANSARD, P.10 - SENATOR MURRAY

Comparative figures on time between presentation of legislation reports and consideration of legislation.

Average time between Senate committees reporting on bills
and bills being debated

August 2001 to December 2002

Average number of sitting days before debate: 14.74

Average number of working days before debate: 46.21

Note: due to 2001 election several bills referred to committees subsequently lapsed and are not included in these figures

August 2005 to December 2006

Average number of sitting days before debate: 6.51

Average number of working days before debate: 22.21

Note: as at 28 February 2007, the 05-06 figures do not include several bills still to be debated by the Senate, however 2 bills listed for debate on 27/2/07 have been included

SENATE FINANCE AND PUBLIC ADMINISTRATION COMMITTEE**ADDITIONAL ESTIMATES 2006-07 – HEARING 12 FEBRUARY 2007****DEPARTMENT OF THE SENATE****ANSWERS TO QUESTIONS ON NOTICE****P4: HANSARD, P.12 - SENATOR MURRAY****Statement of reasonable minimum time for a committee inquiry on a bill**

Answer: The following time line is regarded as a reasonable minimum for each stage of a bill inquiry given a reporting time of 27 days (the average time for a bill inquiry in 2005-06). On this time line 8 days - 3 and 4, 10 and 11, 17 and 18, 24 and 25 - are weekends and are not working days for those outside the parliamentary environment.

Day 1 - Initial committee meeting to make decisions on conduct of inquiry, set date for hearings and deadline for submissions (secretariat to develop list of potential witnesses, examine bill and associated documents including Bills Digest and Scrutiny of Bills Committee comment)

Day 2 – secretariat to organise advertisement of inquiry and letters seeking submissions

Day 3 – weekend

Day 4 – weekend

Day 5 – secretariat commences work on report – outline of bill and introductory material (basis for briefing paper for committee), contact potential witnesses, organise venues, travel and other administration for public hearings

Day 6 – as above, process early submissions

Day 7 – as above

Day 8 – as above

Day 9 – deadline for submissions, submissions arrive en masse

Day 10 – weekend

Day 11 – weekend

Day 12 – secretariat to process submissions and organise witnesses for public hearings, in consultation with Chair and committee

Day 13 – secretariat to prepare meeting papers for hearing

Day 14 – as above

Day 15 – public hearing

Day 16 – draft report while awaiting Hansard (while Hansard can be provided on 24 hour turnaround it is more reasonable to factor in the three day turnaround)

Day 17 – weekend, as above if necessary

Day 18 – as above

Day 19 – draft report while awaiting Hansard, organise meeting to consider report

Day 20 – finalise report – insert Hansard quotes

Day 21 – provide early draft to Chair

Day 22 – edit and proof read report awaiting Chair's input

Day 23 – discuss report with Chair, make amendments and provide to committee members for consideration meeting

Day 24 – weekend, secretariat to work on editing and proofreading draft

Day 25 – weekend as above

Day 26 – meeting to consider report, Secretariat to work late to make necessary amendments and process any additional comments, dissenting reports etc.

Day 27 – printing and tabling

These dates are indicative and flexible. Frequently, a committee may make a decision to give witnesses more time to prepare submissions and will hold the hearing at a later date. This will obviously affect the rest of the time line, as will the Chair's availability to consider the draft report and make comments to be incorporated by the secretariat. The secretariat's work will depend on factors such as the complexity of the inquiry, the number of submissions.

The time line may also alter if it is clear from the public hearing that there is no possibility of a unanimous report, when every effort will be made by the secretariat to shorten the time lines so that other committee members may have more time to prepare dissenting reports or additional comments.